

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

| | | | |
|--|--------------------------------|--|--------------------------|
| Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Unit Name TOWNSHIP OF ALMER | County TUSCOLA |
| Fiscal Year End 3-31-06 | Opinion Date 5-26-06 | Date Audit Report Submitted to State 6-30-06 | |

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☐ ☒ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| We have enclosed the following: | Enclosed | Not Required (enter a brief justification) |
|---|---|--|
| Financial Statements | <input checked="" type="checkbox"/> | |
| The letter of Comments and Recommendations | <input type="checkbox"/> | |
| Other (Describe) | <input type="checkbox"/> | |
| Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C. | | Telephone Number 989-673-3137 |
| Street Address 715 East Frank St. Caro, Michigan 48723-1623 | | City Caro State MI Zip 48723 |
| Authorizing CPA Signature  | Printed Name GARY R. ANDERSON | License Number 1101005476 |

**TOWNSHIP OF ALMER,
TUSCOLA COUNTY**
Caro, Michigan

Report on Financial Statements
(with additional information)
Year Ended March 31, 2006

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

May 26, 2006

INDEPENDENT AUDITORS' REPORT

Township of Almer
Tuscola County
Caro, Michigan 48723

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Almer as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statement required by accounting principals generally accepted in the United States of America. These financial statements are the responsibility of the Township of Almer's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Almer's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Almer as of March 31, 2006, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Almer Township. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

General Purpose Financial Statements

TOWNSHIP OF ALMER, TUSCOLA COUNTY
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2006

| | <u>GOVERNMENTAL FUND TYPES</u> | | <u>PROPRIETARY FUND TYPES</u> | <u>FIDUCIARY FUND TYPE</u> |
|--|------------------------------------|----------------------------|-----------------------------------|--|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | <u>ENTERPRISE (SEWER)</u> | <u>CURRENT TAX COLLECTION FUND</u> |
| <u>ASSETS</u> | | | | |
| Cash | \$ 27,503 | \$ 2,125 | \$ 229,000 | \$ 143,950 |
| Fire runs receivable | 8,000 | | | |
| Taxes receivable | | | | 193,808 |
| Accounts receivable | | | 11,168 | |
| Fixed assets - Net | | | 961,992 | |
| Prepaid expenses | | | 13,624 | |
| Due from other funds | 176,704 | | 159 | |
| Amount to be provided for payment of long-term debt | | | | |
| TOTAL ASSETS | <u>\$ 212,207</u> | <u>\$ 2,125</u> | <u>\$ 1,215,943</u> | <u>\$ 337,758</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | | \$ 5,296 | |
| Accrued payroll taxes | 909 | | | |
| Due to other governmental units | 5,822 | | | \$ 160,895 |
| Deferred revenue | 67,217 | | | |
| Due to other funds | - | | | 176,863 |
| Payable from restricted assets: | | | | |
| Revenue bonds payable | - | | 129,940 | |
| Notes payable - long-term | - | | | |
| TOTAL LIABILITIES | <u>73,948</u> | | <u>135,236</u> | <u>337,758</u> |
| FUND EQUITY: | | | | |
| Contributed capital | | | 765,663 | |
| Contributions from customers | | | 125,000 | |
| Investment in general fixed assets | | | | |
| Retained earnings | | | 190,044 | |
| Fund Balance - undesignated | 138,259 | | | |
| Fund Balance - designated | | \$ 2,125 | | |
| TOTAL FUND BALANCE | <u>138,259</u> | <u>2,125</u> | <u>1,080,707</u> | <u>-</u> |
| TOTAL LIABILITIES & FUND EQUITY | <u>\$ 212,207</u> | <u>\$ 2,125</u> | <u>\$ 1,215,943</u> | <u>\$ 337,758</u> |

The accompanying footnotes are an integral part of the financial statements.

| ACCOUNT GROUPS | | TOTALS (MEMORANDUM ONLY) | |
|----------------------------|------------------------------|-----------------------------|---------------------|
| GENERAL FIXED ASSETS | GENERAL LONG TERM DEBT | REPORTING ENTITY 2006 | 2005 |
| | | \$ 402,578 | \$ 373,631 |
| | | 8,000 | 8,000 |
| | | 193,808 | 171,250 |
| | | 11,168 | 17,409 |
| \$ 377,370 | | 1,339,362 | 992,969 |
| | | 13,624 | 14,372 |
| | | 176,863 | 30,783 |
| | \$ 61,452 | 61,452 | 81,633 |
| \$ 377,370 | \$ 61,452 | \$ 2,206,855 | \$ 2,060,575 |
| | | | |
| | | \$ 5,296 | \$ 5,295 |
| | | 909 | 908 |
| | | 166,717 | 147,217 |
| | | 67,217 | 62,489 |
| | | 176,863 | 30,783 |
| | | 129,940 | 144,540 |
| | \$ 61,452 | 61,452 | 81,633 |
| - | 61,452 | 608,394 | 472,865 |
| | | | |
| | | 765,663 | 789,772 |
| | | 125,000 | 125,000 |
| \$ 377,370 | | 377,370 | 370,528 |
| | | 190,044 | 188,085 |
| | | 138,259 | 114,325 |
| | | 2,125 | |
| 377,370 | - | 1,598,461 | 1,587,710 |
| \$ 377,370 | \$ 61,452 | \$ 2,206,855 | \$ 2,060,575 |

TOWNSHIP OF ALMER, TUSCOLA COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2006

| | | | TOTALS | |
|---|-------------------|-----------------|-----------------------------|-------------------|
| | | | (MEMORANDUM ONLY) | |
| | | | YEAR ENDED MARCH 31, | |
| | GENERAL | SPECIAL | 2006 | 2005 |
| | | REVENUE | | |
| REVENUE: | | | | |
| Taxes | \$ 178,999 | | \$ 178,999 | \$ 243,983 |
| Licenses & permits | - | | - | - |
| Intergovernmental revenue | 154,983 | | 154,983 | 154,358 |
| Other revenue | 127,252 | \$ 689 | 127,941 | 115,136 |
| Rents & royalties | 2,400 | | 2,400 | 3,000 |
| Cemetery receipts | | 13,125 | 13,125 | 10,575 |
| TOTAL REVENUE | 463,634 | 13,814 | 477,448 | 527,052 |
| EXPENDITURES: | | | | |
| Legislative | 14,056 | | 14,056 | 17,901 |
| Executive | 17,777 | | 17,777 | 18,856 |
| Elections | 1,569 | | 1,569 | 4,363 |
| Clerk | 12,826 | | 12,826 | 12,551 |
| Board of Review | 1,446 | | 1,446 | 1,092 |
| Assessor | 6,276 | | 6,276 | 0 |
| Treasurer | 24,715 | | 24,715 | 24,060 |
| Township hall & grounds | 18,229 | | 18,229 | 18,365 |
| Zoning board | 11,365 | | 11,365 | 10,345 |
| Public safety | 25,506 | | 25,506 | 26,091 |
| Highways, streets, & bridges | 123,859 | | 123,859 | 182,657 |
| Sanitation | 101,887 | | 101,887 | 182,004 |
| Cemetery operation | | 27,406 | 27,406 | 25,006 |
| Other expenditures | 44,292 | | 44,292 | 47,431 |
| TOTAL EXPENDITURES | 403,803 | 27,406 | 431,209 | 571,052 |
| EXCESS (DEFICIENCY) OF REVENUE | | | | |
| OVER EXPENDITURES | 59,831 | (13,592) | 46,239 | (44,000) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | - | 12,000 | 12,000 | 12,377 |
| Operating transfers out | (12,000) | - | (12,000) | (12,377) |
| Drain-at-large - principal | (20,181) | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | (32,181) | 12,000 | (20,181) | - |
| EXCESS (DEFICIENCY) OF REVENUE AND | | | | |
| OTHER SOURCES OVER EXPENDITURES | | | | |
| AND OTHER USES | 27,650 | (1,592) | 26,058 | (44,000) |
| FUND BALANCE - BEGINNING OF YEAR | 110,609 | 3,716 | 114,325 | 158,324 |
| FUND BALANCE - END OF YEAR | \$ 138,259 | \$ 2,125 | \$ 140,384 | \$ 114,325 |

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET
AND ACTUAL GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2006

| | GENERAL FUND | | |
|---|---------------------|-------------------|--|
| | BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
| REVENUE: | | | |
| Taxes | \$ 250,060 | \$ 178,999 | \$ (71,061) |
| Licenses & permits | 1,500 | 0 | (1,500) |
| Intergovernmental revenue | 158,921 | 154,983 | (3,938) |
| Other revenue | 106,300 | 127,252 | 20,952 |
| Rents & royalties | 2,000 | 2,400 | 400 |
| Cemetery receipts | | | 0 |
| TOTAL REVENUE | 518,781 | 463,634 | (55,147) |
| EXPENDITURES: | | | |
| Legislative | 26,900 | 14,056 | 12,844 |
| Executive | 23,616 | 17,777 | 5,839 |
| Elections | 2,500 | 1,569 | 931 |
| Clerk | 13,760 | 12,826 | 934 |
| Board of Review | 1,250 | 1,446 | (196) |
| Assessor | 0 | 6,276 | |
| Treasurer | 26,760 | 24,715 | 2,045 |
| Township hall & grounds | 20,000 | 18,229 | 1,771 |
| Zoning board | 12,000 | 11,365 | 635 |
| Public safety | 30,000 | 25,506 | 4,494 |
| Highway, streets & bridges | 161,325 | 123,859 | 37,466 |
| Sanitation | 175,500 | 101,887 | 73,613 |
| Other expenditures | 54,200 | 44,292 | 9,908 |
| Cemetery operations | | | |
| TOTAL EXPENDITURES | 547,811 | 403,803 | 150,284 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (29,030) | 59,831 | 95,137 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | | 0 | 0 |
| Operating transfers out | (17,000) | (12,000) | 5,000 |
| Drain-at-large - principal | 0 | (20,181) | |
| TOTAL OTHER FINANCING SOURCES (USES) | (17,000) | (32,181) | 5,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | (46,030) | 27,650 | 73,680 |
| FUND BALANCE - BEGINNING OF YEAR | 110,609 | 110,609 | - |
| FUND BALANCE - END OF YEAR | \$ 64,579 | \$ 138,259 | \$ 73,680 |

The accompanying footnotes are an integral part of the financial statements.

| SPECIAL REVENUE FUND TYPES | | |
|----------------------------|-----------|---|
| BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
| | | |
| \$ 9,925 | \$ 13,814 | \$ 3,889 |
| 9,925 | 13,814 | 3,889 |
| | | |
| 26,640 | 27,406 | (766) |
| 26,640 | 27,406 | (766) |
| (16,715) | (13,592) | 3,123 |
| 17,000 | 12,000 | (5,000) |
| 17,000 | 12,000 | (5,000) |
| 285 | (1,592) | (1,877) |
| 3,716 | 3,716 | |
| \$ 4,001 | \$ 2,125 | \$ (1,877) |

| TOTALS (MEMORANDUM ONLY) | | |
|-----------------------------|------------|---|
| BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
| \$ 250,060 | \$ 178,999 | \$ (71,061) |
| 1,500 | 0 | (1,500) |
| 158,921 | 154,983 | (3,938) |
| 106,300 | 127,252 | 20,952 |
| 2,000 | 2,400 | 400 |
| 9,925 | 13,814 | 3,889 |
| 528,706 | 477,448 | (51,258) |
| | | |
| 26,900 | 14,056 | 12,844 |
| 23,616 | 17,777 | 5,839 |
| 2,500 | 1,569 | 931 |
| 13,760 | 12,826 | 934 |
| 1,250 | 1,446 | (196) |
| - | 6,276 | 0 |
| 26,760 | 24,715 | 2,045 |
| 20,000 | 18,229 | 1,771 |
| 12,000 | 11,365 | 635 |
| 30,000 | 25,506 | 4,494 |
| 161,325 | 123,859 | 37,466 |
| 175,500 | 101,887 | 73,613 |
| 54,200 | 44,292 | 9,908 |
| 26,640 | 27,406 | (766) |
| 574,451 | 431,209 | 149,518 |
| (45,745) | 46,239 | 98,260 |
| 17,000 | 12,000 | (5,000) |
| (17,000) | (12,000) | 5,000 |
| - | (20,181) | (20,181) |
| - | (20,181) | (20,181) |
| (45,745) | 26,058 | 71,803 |
| 114,325 | 114,325 | - |
| \$ 68,580 | \$ 140,384 | \$ 71,803 |

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF REVENUE, EXPENSES AND
CHANGE IN RETAINED EARNINGS
PROPRIETARY FUND TYPE

| | <u>YEAR ENDED MARCH 31,</u> <u>2006</u> | <u>2005</u> |
|--|--|--------------------------|
| OPERATING REVENUE: | | |
| Water & sewer system sales | \$ 45,392 | \$ 42,787 |
| OPERATING EXPENSES: | | |
| Operating & maintenance | 36,828 | 37,820 |
| Depreciation & amortization expense | <u>7,339</u> | <u>7,339</u> |
| TOTAL OPERATING EXPENSES | <u>44,167</u> | <u>45,159</u> |
| OPERATING INCOME (LOSS) | <u>1,225</u> | <u>(2,372)</u> |
| NON-OPERATING REVENUE (EXPENSES): | | |
| Interest earned | 5,689 | 3,401 |
| Interest expense | <u>(4,955)</u> | <u>(5,320)</u> |
| TOTAL NON-OPERATING REVENUE (EXPENSES) | <u>734</u> | <u>(1,919)</u> |
| NET INCOME | 1,959 | (4,291) |
| RETAINED EARNINGS - BEGINNING OF YEAR | <u>188,085</u> | <u>192,376</u> |
| RETAINED EARNINGS - END OF YEAR | <u><u>\$ 190,044</u></u> | <u><u>\$ 188,085</u></u> |

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

| | YEAR ENDED MARCH 31, | |
|---|-----------------------------|--------------------------|
| | 2006 | 2005 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 51,558 | \$ 43,257 |
| Cash paid to suppliers | (31,771) | (36,106) |
| Interest received | 5,950 | 3,655 |
| Interest paid | (4,955) | (5,320) |
| Engineering | (4,057) | 0 |
| Other | (1,000) | 0 |
| | <u>15,725</u> | <u>5,486</u> |
| Net cash provided by operating activities | | |
| | <u>15,725</u> | <u>5,486</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment on revenue bonds | (14,600) | (14,600) |
| Increase in prepaid expense | 277 | 150 |
| | <u>(14,323)</u> | <u>(14,450)</u> |
| Net cash provided by (used in) financing activities | | |
| | <u>(14,323)</u> | <u>(14,450)</u> |
| INCREASE (DECREASE) IN CASH | 1,402 | (8,964) |
| CASH AT BEGINNING OF YEAR | 227,598 | 236,562 |
| CASH AT END OF YEAR | <u>\$ 229,000</u> | <u>\$ 227,598</u> |

The accompanying footnotes are an integral part of the financial statements.

RECONCILIATION OF NET INCOME TO NET CASH FLOWS
PROVIDED BY (USED) IN OPERATING ACTIVITIES

| | <u>YEAR ENDED MARCH 31,</u> <u>2006</u> | <u>2005</u> |
|---|--|-----------------|
| Reconciliation of Net Income to Net Cash Provided by Operating Activities: | | |
| Net Income (loss) | \$ 1,959 | \$ (4,291) |
| Adjustment to reconcile net income to net cash provided by operating activities: | | |
| Depreciation & Amortization | 7,339 | 7,339 |
| (Increase) decrease in: | | |
| Accounts receivable | 6,242 | 260 |
| Due from Current Tax Collection Fund | 185 | 210 |
| Accounts payable | <u>0</u> | <u>1,714</u> |
| Net cash provided by operating activities | <u>\$ 15,725</u> | <u>\$ 5,232</u> |

Disclosure of Accounting Policy:

For purposes of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits in banks, and balances of certificates of deposit.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township covers an area of approximately 36 square miles within Tuscola County. The township operates under an elected Board and provides services to its more than 2,700 residents in many areas including law enforcement, administration of justice, community enrichment, development and human services. At the Township Board meeting held May 13, 2003, the Township Board approved a resolution to change from a general law township to a charter township.

The financial statements of the Township of Almer have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units except for the Township not adopting the GASB #34 reporting format. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Almer contain all the funds and account groups controlled by the Township's Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

B. FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

C. BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after yearend. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

E. CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. RECEIVABLES:

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls that are secured by the underlying property.

H. FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

I. LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

J. FUND EQUITY:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other township resources to purchase or construct the water and sewer systems currently in use within the Township. In order to more accurately reflect the equity remaining in these contributions, the contributions are being amortized over the useful life of the assets they aided in constructing or purchasing.

K. INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

M. COMPARATIVE DATA:

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would made the statements unduly complex and difficult to understand.

NOTE 2 - TUSCOLA COUNTY SANITARY SEWER SYSTEM:

On May 8, 1984 the Township entered into a contract with the Village of Caro and Indianfields Township for the acquisition, improvement, enlargement and extension of the local sanitary sewer system. The 20% local share of construction costs has been financed by the issuance of County Revenue Bonds. Almer Township's portion of the local share is \$ 325,000. The original bonds were refinanced in 1992 and again in October 2002.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 2 - TUSCOLA COUNTY SANITARY SEWER SYSTEM (Continued):

During 2002, Tuscola County advance refunded its outstanding Tuscola County Sanitary Sewer System (Caro Area) Bonds, dated May 1, 1992. The County issued \$1,240,000 general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$222,866 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$65,140. Almer Townships share of the bond is 14.6%.

The Township expects to repay its share plus interest at rates from 2.5% to 3.7%, as well as operate and maintain the system, by charging an initial connection fee and monthly fees to users of the system. At special meetings held in October 2005 and February 2006, the Township Board approved proceeding with the initial stages of the Sewer System Update Project.

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

MARCH 31, 2006

(PRINCIPAL ONLY)

Year Ending March 31,

| | |
|-------|-------------------------|
| 2007 | \$ 16,790 |
| 2008 | 19,710 |
| 2009 | 18,980 |
| 2010 | 18,980 |
| 2011 | 18,250 |
| 2012 | 17,520 |
| 2013 | <u>19,710</u> |
| TOTAL | <u><u>\$129,940</u></u> |

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

| | <u>BALANCE</u> <u>MARCH 31,</u> <u>2005</u> | <u>ADDITIONS</u> | <u>REDUCTIONS</u> | <u>BALANCE</u> <u>MARCH 31,</u> <u>2006</u> |
|----------------------------|--|-------------------------|--------------------------|--|
| Land & improvements | \$181,851 | | | \$181,851 |
| Buildings | 52,727 | | | 52,727 |
| Machinery & equipment | 68,203 | \$6,842 | | 75,045 |
| Land improvements (Park) | <u>67,747</u> | <u> </u> | <u> </u> | <u>67,747</u> |
| TOTAL GENERAL FIXED ASSETS | <u><u>\$370,528</u></u> | <u><u>\$6,842</u></u> | <u><u>\$0</u></u> | <u><u>\$377,370</u></u> |

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 4 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds and are invested in several local banks in accordance with Michigan Compiled Laws, Section 129.91.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$402,578 and the bank balance was \$404,903, \$182,151 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2005, the Township had no Category 1, 2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2006 are composed of the following:

| | <u>CASH AND CASH EQUIVALENTS</u> | <u>INVESTMENTS</u> |
|-----------------------|---|---------------------------|
| General Fund Deposits | \$ 27,503 | NONE |
| Other Funds Deposits | <u>375,075</u> | <u>NONE</u> |
| TOTAL | <u>\$402,578</u> | <u>NONE</u> |

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT:

A summary of proprietary fund type property, plant and equipment that are stated at cost as of March 31, 2006 follows:

| | <u>SEWER FUND</u> |
|--|------------------------------|
| Sewer lines | \$ 377,760 |
| Building & equipment | 1,171,070 |
| Bond discount | 1,942 |
| Loan closing costs | <u>11,682</u> |
| Total cost | 1,562,454 |
| Less accumulated depreciation & amortization | <u>586,837</u> |
| Net carrying amount | <u>\$ 975,617</u> |

Depreciation is calculated using the straight-line method over a 50-year life. Amortization of the loan closing costs is over the life of the underlying debt. Depreciation and amortization expense for the year ended March 31, 2006 amounted to \$30,977 and \$471, respectively. Depreciation expense of \$6,868 charged to operations was based on the Township's percentage contribution to the total cost of the project. The remaining depreciation expense of \$24,109 was charged against contributed capital.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 6 - PENSION PLAN - DEFINED CONTRIBUTION PLAN:

PLAN DESCRIPTION:

The township has instituted a defined contribution pension plan covering all elected officials who choose to belong to the plan. The plan has been adopted under the provisions of 401(a) of the Internal Revenue Code.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on the investments of those contributions, and forfeitures of other participants benefits that may be allocated to such participant's account. The plan requires the employer to contribute fifteen percent of the participating employee's gross wages, with immediate vesting. In addition, past service employer contributions at 3% of current annual compensation for each eligible year of past service (10 year max.) to be funded over three years are required. During the most recent plan year, the township's required and actual contribution amounted to \$8,573, which was 15% of its current year covered payroll of \$57,153. The plan is funded through John Hancock Company and had the following activity during the period ending March 31, 2006. The assets of the fund belong to the covered employees and are not assets of the Township.

| | |
|---|------------------|
| Balance –March 31, 2005 | \$ 98,162 |
| Contributions – June 30, 2005 to March 31, 2006 | 7,914 |
| Withdrawals – June 30, 2005 to March 31, 2006 | - |
| Earnings (Losses), less Administrative expense | <u>12,938</u> |
| Balance – March 31, 2006 | <u>\$119,014</u> |

NOTE 7 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. The Board of Trustees must approve any revisions of the budget.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations that were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 8 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2006 are as follows:

| <u>FUND</u> | <u>DUE FROM OTHER FUNDS</u> | <u>DUE TO OTHER FUNDS</u> |
|-----------------------------|--|--------------------------------------|
| General Fund | \$176,704 | - |
| Trust and agency: | | |
| Current Tax Collection Fund | | <u>\$176,863</u> |
| Sewer Fund | <u>159</u> | |
| TOTAL | <u>\$176,863</u> | <u>\$176,863</u> |

NOTE 9 - CONTRIBUTED CAPITAL:

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other township resources to purchase or construct the water and sewer systems currently in use or still in construction within the Township. In order to more accurately reflect the equity remaining in these contributions, certain contributions are being charged to retained earnings over 50 years. The decrease in retained earnings for the year totaled \$24,109.

NOTE 10 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of July 1 and December 1. Taxes are levied on July 1 and December 1 and are due in September and February. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied 1.4551 mills for operations, 1.0000 mills for roads, and 1.0000 for transportation on a taxable value of \$71,455,445.

NOTE 11 – RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. For insured programs, there has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12 – GENERAL LONG TERM DEBT/SPECIAL ASSESSMENT:

The Tuscola County Drain Commissioner assessed Almer Township \$225,513 as a Drain-At-Large assessment for the State and Colling Drain. The assessment was to be repaid from 2000 through 2009, which would have included interest of \$34,215. The township paid \$100,000.00 as an extra principal payment during the year-ended March 31, 2001 towards the project, which will reduce the interest paid over the remaining assessment period. An additional assessment was made for the Sebewaing River IC.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

NOTE 12 – GENERAL LONG TERM DEBT/SPECIAL ASSESMENT: (Continued)

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT
MARCH 31, 2006
(PRINCIPAL ONLY)

| YEAR ENDING MARCH 31, | STATE & COLLING GENERAL OBLIGATION | SEBEWAING RIVER IC GENERAL OBLIGATION | TOTAL |
|----------------------------------|---|--|-----------------|
| 2007 | \$12,499 | \$ 7,682 | \$20,181 |
| 2008 | 12,499 | 3,774 | 16,273 |
| 2009 | 12,499 | | 12,499 |
| 2010 | <u>12,499</u> | <u> </u> | <u>12,499</u> |
| TOTAL | <u>\$49,996</u> | <u>\$11,456</u> | <u>\$61,452</u> |

NOTE 13- GASB 34

The Township chose not to adopt GASB 34, which is required by the Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report.

NOTE 14- TRANSFERS TO AND TRANSFERS FROM:

| | |
|----------------------------|-----------------|
| Transfer to Cemetery Fund | \$12,000 |
| Transfer From General Fund | <u>(12,000)</u> |
| Net Transfers | <u>0</u> |

Financial Statements of Individual Funds

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE- FAVORABLE (UNFAVORABLE)</u> |
|-----------------------------------|-------------------|-------------------|--|
| REVENUE | | | |
| Taxes: | | | |
| Current property tax | | \$ 175,399 | |
| Delinquent tax | | - | |
| Trailer tax | | 3,600 | |
| | <u> </u> | <u> </u> | <u> </u> |
| Total taxes | \$ 250,060 | 178,999 | \$ 71,061 |
| | <u> </u> | <u> </u> | <u> </u> |
| Licenses & permits | 1,500 | - | (1,500) |
| | <u> </u> | <u> </u> | <u> </u> |
| Intergovernmental Revenue: | | | |
| State shared revenues | 158,921 | 154,983 | (3,938) |
| | <u> </u> | <u> </u> | <u> </u> |
| Other Revenue: | | | |
| Miscellaneous | | 13,293 | |
| Sale of crushed concrete | | - | |
| Metro act revenues | | 4,246 | |
| Reimbursements | | 1,675 | |
| Fire Runs | | 7,265 | |
| Refuse payments | | 92,590 | |
| Interest | | 8,183 | |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Other Revenue | 106,300 | 127,252 | 20,952 |
| | <u> </u> | <u> </u> | <u> </u> |
| Rents & Royalties | 2,000 | 2,400 | 400 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL REVENUE | <u>518,781</u> | <u>463,634</u> | <u>86,975</u> |
| EXPENDITURES | | | |
| Legislative: | | | |
| Salaries & wages - township board | | 6,394 | |
| Auditing & legal fees | | 4,874 | |
| Membership & dues | | 1,720 | |
| Advertising | | 1,068 | |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Legislative | 26,900 | 14,056 | 12,844 |
| | <u> </u> | <u> </u> | <u> </u> |
| Executive: | | | |
| Salaries and wages | | 17,777 | |
| Office supplies & expenses | | - | |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Executive | 23,616 | 17,777 | 5,839 |
| | <u> </u> | <u> </u> | <u> </u> |

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE- FAVORABLE (UNFAVORABLE)</u> |
|---------------------------------------|------------------|----------------|--|
| EXPENDITURES: (Continued) | | | |
| Clerk: | | | |
| Salaries & wages | | \$ 12,260 | |
| Office supplies & expenses | | 566 | |
| Total Clerk | <u>\$ 13,760</u> | <u>12,826</u> | <u>\$ 934</u> |
| Board of Review: | | | |
| Salaries & wages | <u>1,250</u> | <u>1,446</u> | <u>(196)</u> |
| Assessor: | | | |
| Salaries & wages | <u>-</u> | <u>6,276</u> | <u>6,276</u> |
| Treasurer: | | | |
| Salaries & wages | | 16,260 | |
| Tax processing | | 4,936 | |
| Office supplies & expenses | | 3,519 | |
| Total Treasurer | <u>26,760</u> | <u>24,715</u> | <u>2,045</u> |
| Total Elections | <u>2,500</u> | <u>1,569</u> | <u>931</u> |
| Township Hall & Grounds: | | | |
| Insurance | | 8,912 | |
| Utilities | | 9,097 | |
| Repairs & Maintenance | | 220 | |
| Capital outlay | | - | |
| Total Township Hall & Grounds | <u>20,000</u> | <u>18,229</u> | <u>1,771</u> |
| Zoning Board | <u>12,000</u> | <u>11,365</u> | <u>635</u> |
| Public Safety: | | | |
| Contracted services - fire protection | <u>30,000</u> | <u>25,506</u> | <u>4,494</u> |
| Highway, Streets & Bridges: | | | |
| Road construction and maintenance | 90,000 | 118,565 | |
| Transportation | <u>71,325</u> | <u>5,294</u> | |
| Total Highway, Streets & Bridges | <u>161,325</u> | <u>123,859</u> | <u>37,466</u> |

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE- FAVORABLE (UNFAVORABLE)</u> |
|--|-------------------|-------------------|--|
| EXPENDITURES: (Continued) | | | |
| Sanitation: | | | |
| Drain-at-large | | \$ 195 | |
| Drain-at-large - interest | | 4,533 | |
| Contracted services | | 97,159 | |
| Outside labor | | - | |
| | | | |
| Total Sanitation | <u>\$ 175,500</u> | <u>101,887</u> | <u>\$ 73,613</u> |
| Other Expenditures: | | | |
| Pension expense | | \$ 8,573 | |
| Recreation | | 19,206 | |
| Trailer fees | | 3,000 | |
| Miscellaneous | | 3,084 | |
| Payroll Taxes | | 1,059 | |
| Airport Authority | | 9,370 | |
| | | | |
| Total Other Expenditures | <u>54,200</u> | <u>44,292</u> | <u>9,908</u> |
| TOTAL EXPENDITURES | <u>547,811</u> | <u>403,803</u> | <u>144,008</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>(29,030)</u> | <u>59,831</u> | <u>88,861</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating transfers in | | - | - |
| Operating transfers out | (17,000) | (12,000) | 5,000 |
| Drain-at-large - principal | | (20,181) | |
| | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(17,000)</u> | <u>(32,181)</u> | <u>5,000</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES | <u>(46,030)</u> | <u>27,650</u> | <u>93,861</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>110,609</u> | <u>110,609</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 64,579</u> | <u>\$ 138,259</u> | <u>\$ 93,861</u> |

See the accompanying notes.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
CEMETERY FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE- FAVORABLE (UNFAVORABLE)</u> |
|---|-----------------|-----------------|--|
| REVENUES: | | | |
| Grave - openings | \$ 3,500 | \$ 6,300 | \$ 2,800 |
| Sales - cemetery lots | 4,000 | 6,825 | 2,825 |
| Interest | 25 | 54 | 29 |
| Other | - | - | - |
| Miscellaneous | <u>2,400</u> | <u>635</u> | <u>(1,765)</u> |
| TOTAL REVENUE | <u>9,925</u> | <u>13,814</u> | <u>3,889</u> |
| EXPENDITURES: | | | |
| Grave - Openings | 2,500 | 1,800 | 700 |
| Contracted services | 20,000 | 21,294 | (1,294) |
| Repairs & maintenance | 1,000 | 3,098 | (2,098) |
| Utilities | 140 | 117 | 23 |
| Supplies | 2,000 | 295 | 1,705 |
| Miscellaneous | <u>1,000</u> | <u>802</u> | <u>198</u> |
| TOTAL EXPENDITURES | <u>26,640</u> | <u>27,406</u> | <u>(766)</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>(16,715)</u> | <u>(13,592)</u> | <u>3,123</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating transfers in | 17,000 | 12,000 | (5,000) |
| EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES | <u>285</u> | <u>(1,592)</u> | <u>(1,877)</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>3,716</u> | <u>3,716</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 4,001</u> | <u>\$ 2,125</u> | <u>\$ (1,877)</u> |

See the accompanying notes.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2006

| | <u>BALANCE MARCH 31, 2005</u> | <u>ADDITION</u> | <u>REDUCTION</u> | <u>BALANCE MARCH 31, 2006</u> |
|------------------------------------|---------------------------------------|----------------------------|----------------------------|---------------------------------------|
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,422 | \$ 142,528 | | \$ 143,950 |
| Taxes receivable | <u>171,250</u> | <u>2,517,194</u> | <u>\$ 2,494,636</u> | <u>193,808</u> |
| TOTAL ASSETS | <u>\$ 172,672</u> | <u>\$ 2,659,722</u> | <u>\$ 2,494,636</u> | <u>\$ 337,758</u> |
| <u>LIABILITIES</u> | | | | |
| Due to general fund | \$ 30,439 | \$ 181,750 | \$ 328,015 | \$ 176,704 |
| Due to sewer fund | 344 | 2,692 | 2,507 | 159 |
| Due to other governmental agencies | <u>141,889</u> | <u>2,310,194</u> | <u>2,329,200</u> | <u>160,895</u> |
| TOTAL LIABILITIES | <u>\$ 172,672</u> | <u>\$ 2,494,636</u> | <u>\$ 2,659,722</u> | <u>\$ 337,758</u> |

See the accompanying notes.